GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2677
ANSWERED ON:17.03.2006
MULTINATIONAL BANKS
Agarwal Shri Dhirendra;Patel Shri Jivabhai Ambalal

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has received complaints regarding malpractices and duping of customers by multinational banks in the country during the last year and the current year;

(b) if so, the details thereof; and

(c) the remedial action taken in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) Government has been receiving some complaints from customers of multinational banks relating to Credit Card Operations, Deposit Accounts, remittance / collection facilities, Advances, harassment in recovery of loans etc. As and when any such complaint is received, the same is referred to Reserve Bank of India (RBI) for appropriate action as per laid down procedure.

(c) The banks are required to have an internal grievance redressal mechanism. There is also a system in place for having high level committees in the individual banks, including a Customer Service Committee of the Board, to review and bring about improvements in customer service. Further, RBI has notified a revised Banking Ombudsman Scheme with effect from 1st January 2006 with enlarged scope to include customer complaints on certain new areas, such as credit cards complaints, deficiencies in providing the promised services even by banks` sales agents, levying service charges without prior notice to the customer and non adherence to the fair practices code as adopted by individual banks.